

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  U S WEST COMMUNICATIONS, INC.	DOCKET NO. RFU-99-1 (RPU-96-2)
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**ORDER GRANTING APPLICATION FOR REHEARING AND  
APPROVING REFUND PLAN**

(Issued July 7, 1999)

On April 16, 1999, the Board issued an order in Docket No. RPU-96-2 approving a settlement agreement filed by U S WEST Communications, Inc. (U S West), and the Consumer Advocate Division of the Department of Justice (Consumer Advocate) for single line "Integrated Services Digital Network" (ISDN) services. On April 30, 1999, U S West filed a compliance tariff to provide single line ISDN services pursuant to the rates, terms, and conditions of the approved settlement agreement. The compliance tariff, identified by the Board as TF-99-128, was approved by the Board on May 7, 1999, with an effective date of May 17, 1999.

Also on April 30, 1999, U S West filed a proposed plan for making refunds to customers who purchased single line ISDN service under interim rates, which were higher than the rates ultimately approved by the Board. That plan was rejected by the Board by order issued May 28, 1999, and U S West was directed to file a revised refund plan in compliance with the Board's order.

U S West filed a revised refund plan on June 7, 1999, along with a request for rehearing. U S West states the revised plan includes modifications to the refund period and refund provisions, as ordered by the Board.

U S West's request for rehearing addresses the issue of whether current customers should be given the option of receiving their refunds by direct payment or by billing credit. U S West states that contacting all affected customers to determine their preferences would be expensive and would delay the processing of refunds. U S West proposes instead to use bill credits whenever the customer's total refund is less than the customer's prior monthly local service billing (plus past due amounts) and to make direct payments to customers whose total refund exceeds their prior month's local service bill (plus past due amounts). Refunds will be applied to customer bills or drafts will be issued beginning 60 days after Board approval of the plan.

U S West also proposes that customers who terminated service during the refund period or later (final accounts) will receive drafts for net refunds, mailed to each customer's last address of record no later than 30 days following completion of the live account refund. Any draft for less than \$2 would not be mailed, but would be made available upon request.

U S West's refund plan provides that any past-due balance in a customer's final account should be deducted from the amount of the refund prior to issuance of a draft. Final accounts whose respective unpaid balance exceeds the amount of the

refund will be credited with the refund and advised of the new balance owing to U S West by means of a revised final bill statement.

No objections to the proposal were filed. The proposed approach will be efficient and inexpensive while assuring that customers receive refunds in a reasonable manner.

The Board will grant U S West's application for reconsideration and will approve U S West's revised refund plan, as filed on June 7, 1999, subject to the following understandings. First, when reviewing a customer's prior monthly local service bill to determine whether the refund should be made by bill credit or direct payment, U S West will consider only the local service portion of the total bill, that is, only billed amounts for regulated non-toll services. Second, when U S West is netting the refund for a final account to reflect any past-due amounts, U S West shall consider only past-due balances for regulated, non-toll services. The refund shall not be used to offset any balances, past due or current, for unregulated local or toll services. Subject to these understandings, the revised refund plan will be approved.

**IT IS THEREFORE ORDERED:**

1. U S West's application for rehearing, filed in this docket on June 7, 1999, is granted.
2. U S West's revised refund plan, filed in this docket on June 7, 1999, is approved, subject to the understandings described in the body of this order.

3. Within 30 days after the completion of the refund, U S West shall file a refund completion report describing the results of the refund, including but not limited to the amounts refunded and the interest rates used to calculate interest paid.

**UTILITIES BOARD**

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Raymond K. Vawter, Jr.      /s/ Diane Munns  
Executive Secretary

Dated at Des Moines, Iowa, this 7<sup>th</sup> day of July, 1999.